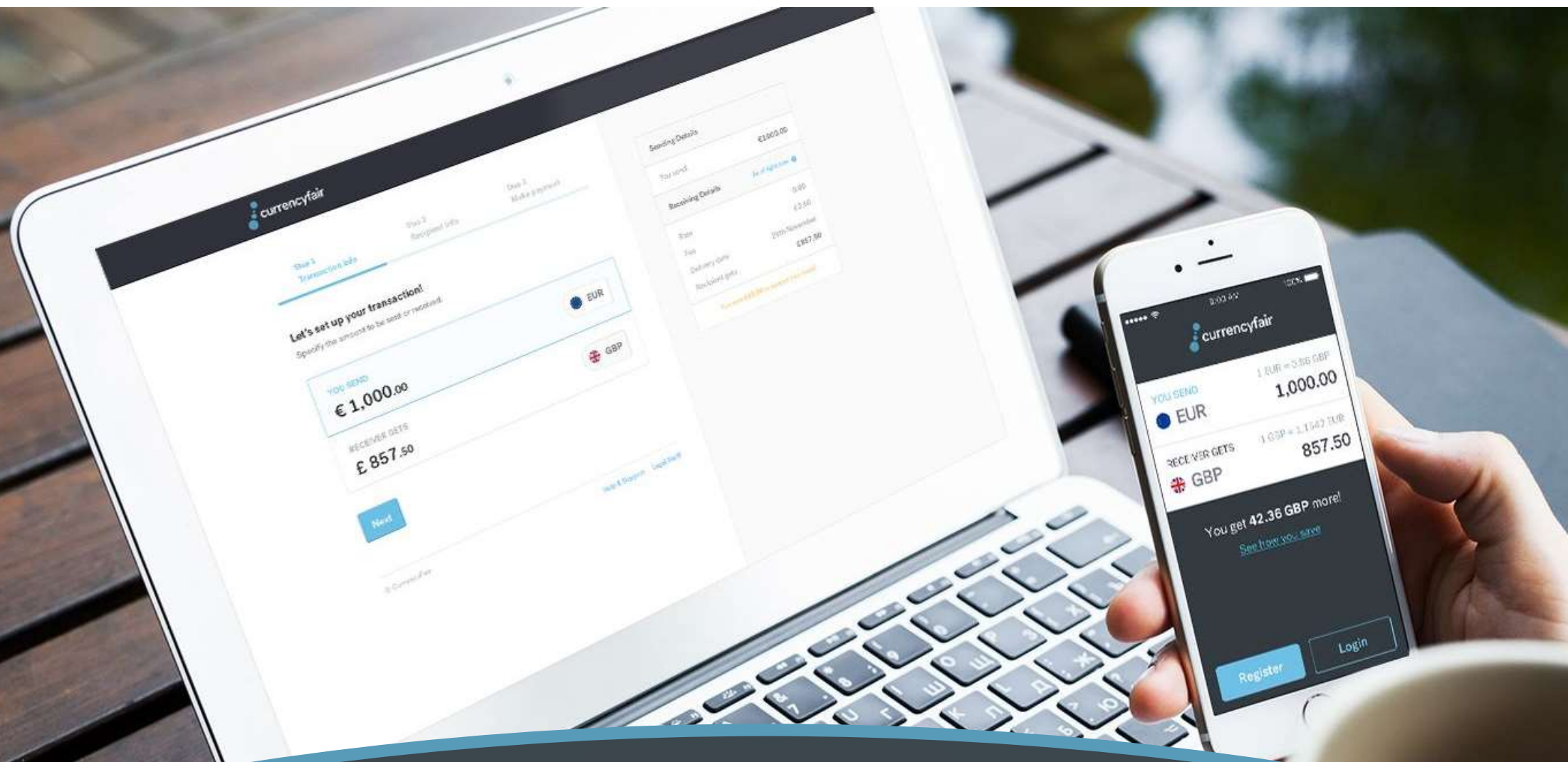




Agenda.

Global landscape

The Payments market is booming.

1

2

The Asian Dynamic

Fintech investment and the Asian dimension

3

Asia Growth

Payments innovation

4

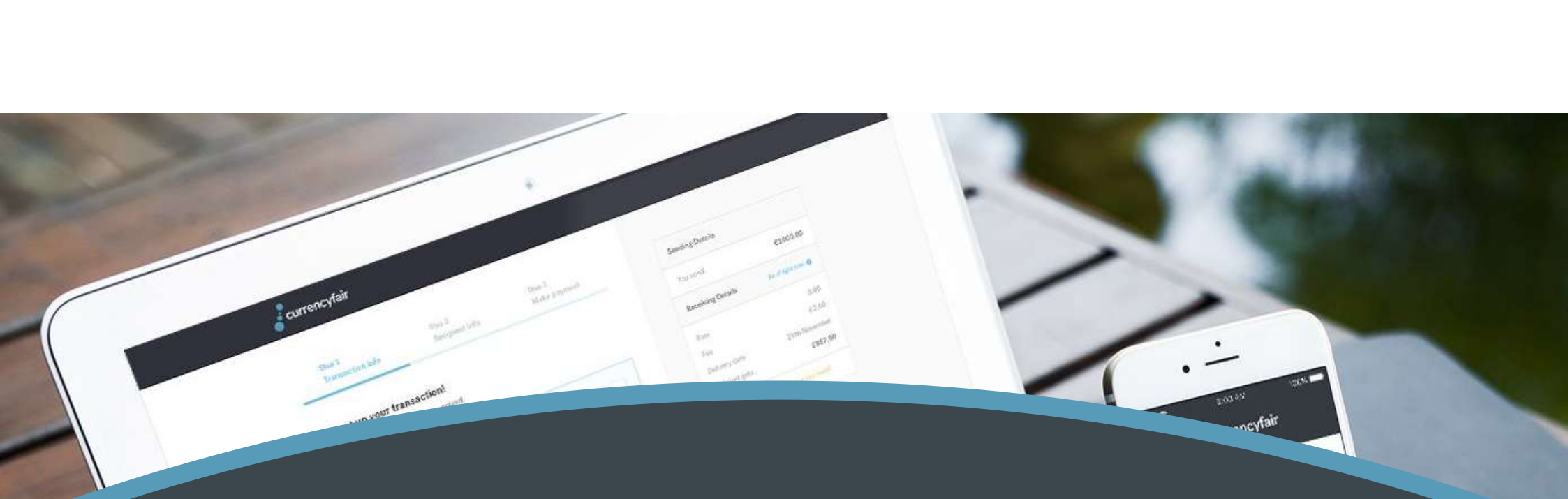
Currencyfair

Paving the way forward



Are the banks having a Kodak moment?

The moment when you realise that customer behaviours and preferences have changed so dramatically from your assumptions, that it's too late to change.

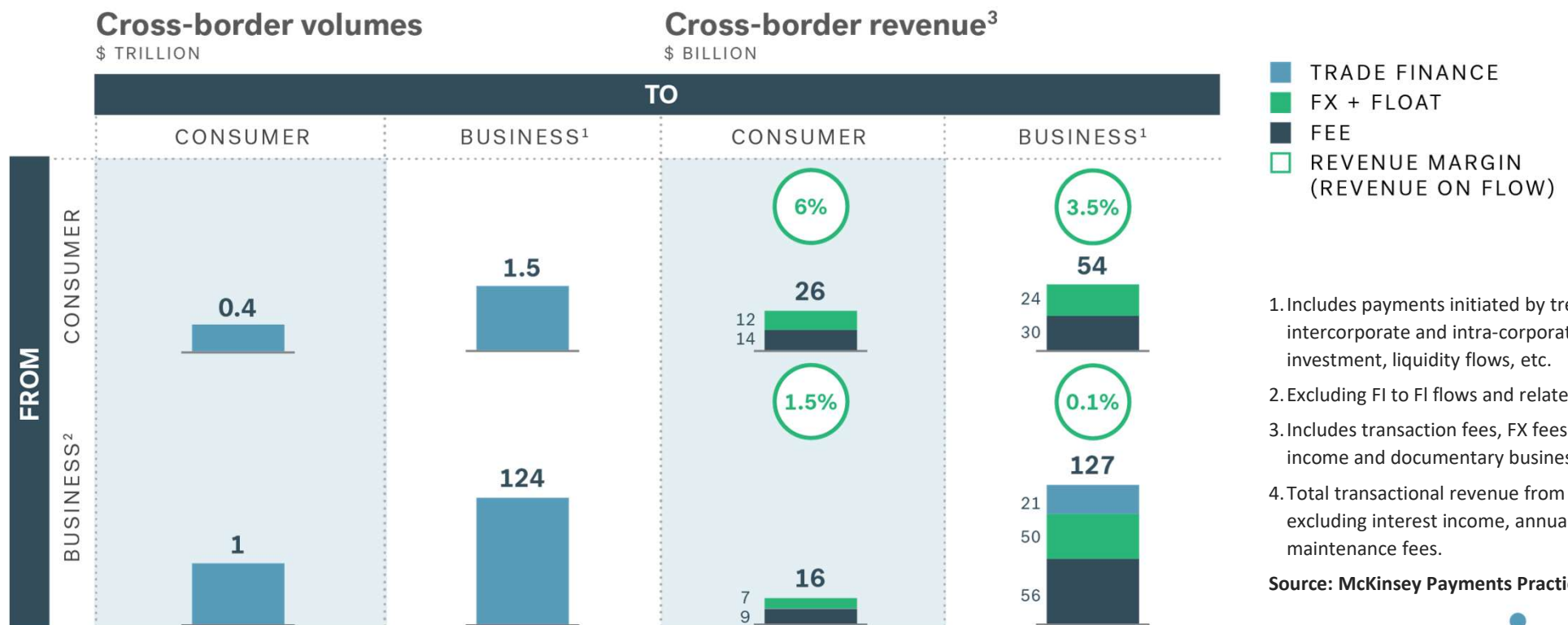
A tablet and a smartphone are shown in the background, both displaying the CurrencyFair app interface. The tablet screen shows a transaction flow with steps: 'Step 1: Transaction info', 'Step 2: Recipient info', and 'Step 3: Make payment'. It also displays 'Sending Details' for €1000.00 and 'Receiving Details' for 0.00. The smartphone screen shows the CurrencyFair logo and a transaction amount of 0.00. A dark blue curved banner is overlaid on the bottom half of the image.

Accenture predicts huge growth in FinTech share of global payments.

- The global payments business is a \$1.5 trillion business dominated by banks
- Accenture estimates that is expected to grow to \$2 trillion globally by 2025
- But banks are likely to lose out on \$280 billion revenue (15%) by 2025

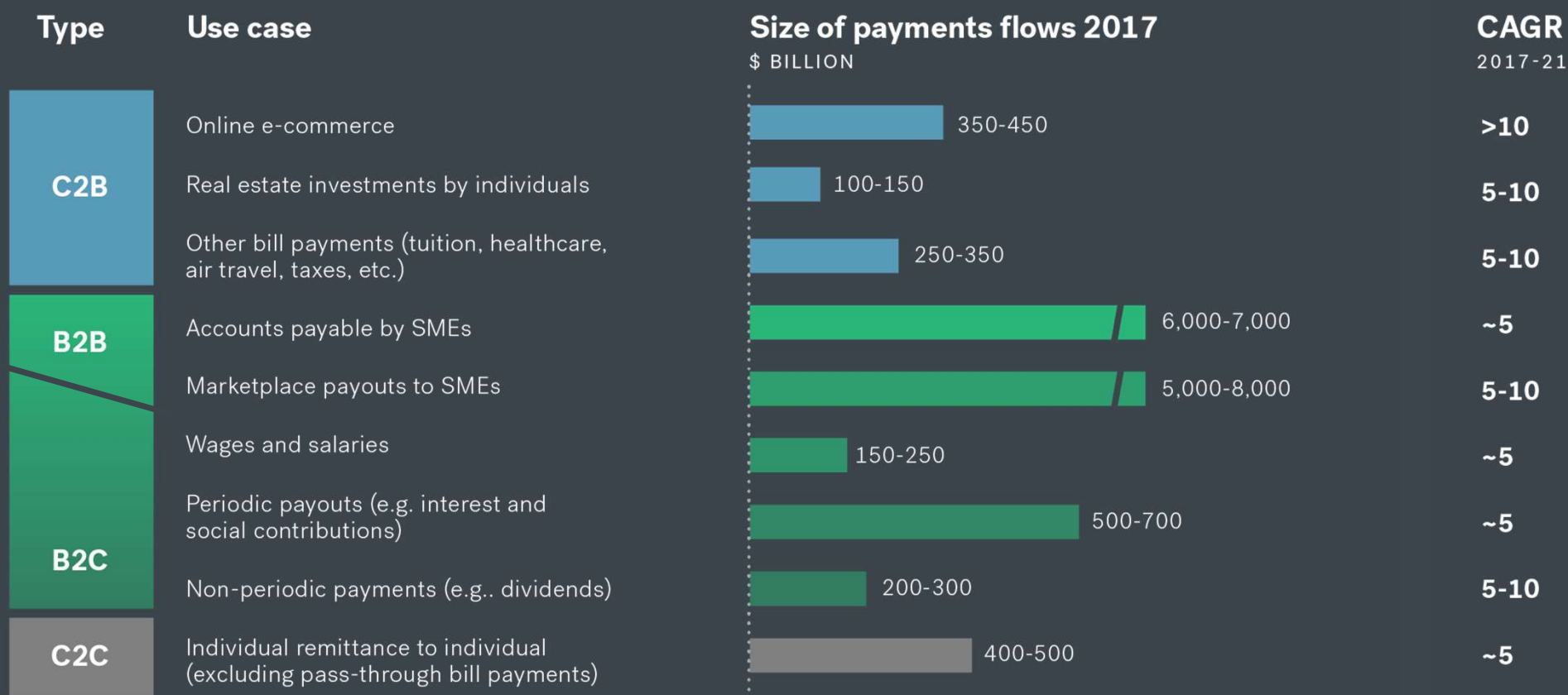
Cross-border payments activity.

Cross-border payments activity is concentrated in B2B transactions.



Cross-border flows.

Cross-border flows will continue to grow – especially in e-commerce.

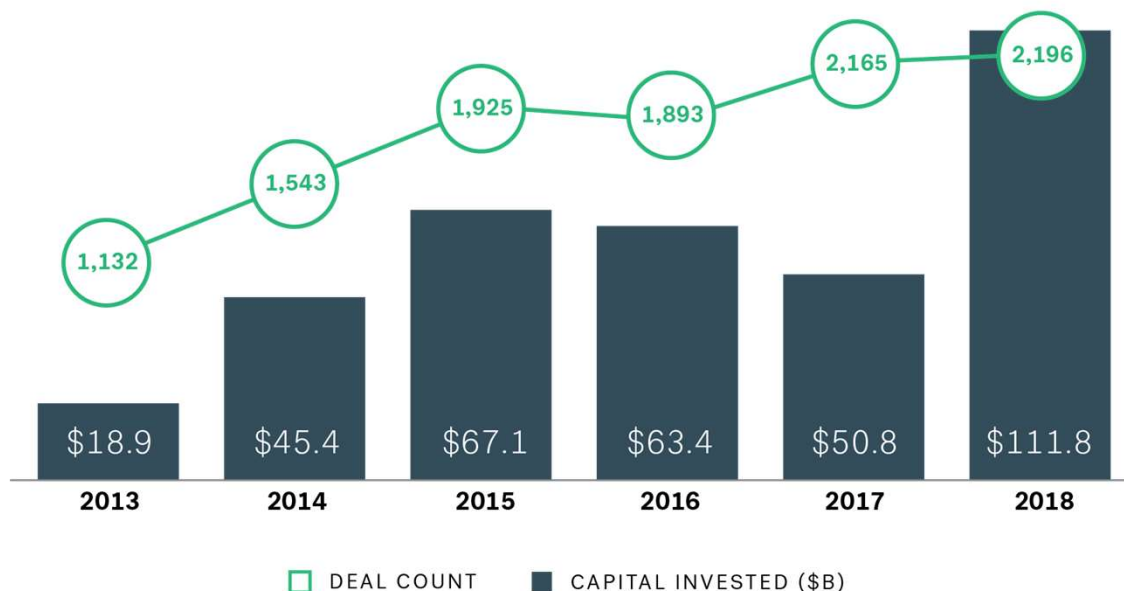


Source: McKinsey GCI Cross Border Model

What's the impact on the FinTech landscape?

Asia's market dynamics and diverse population creates a different set of opportunities and challenges than those faced by European and U.S. FinTech:

Total investment activity (VC, PE and M&A) in FinTech
2013-2018

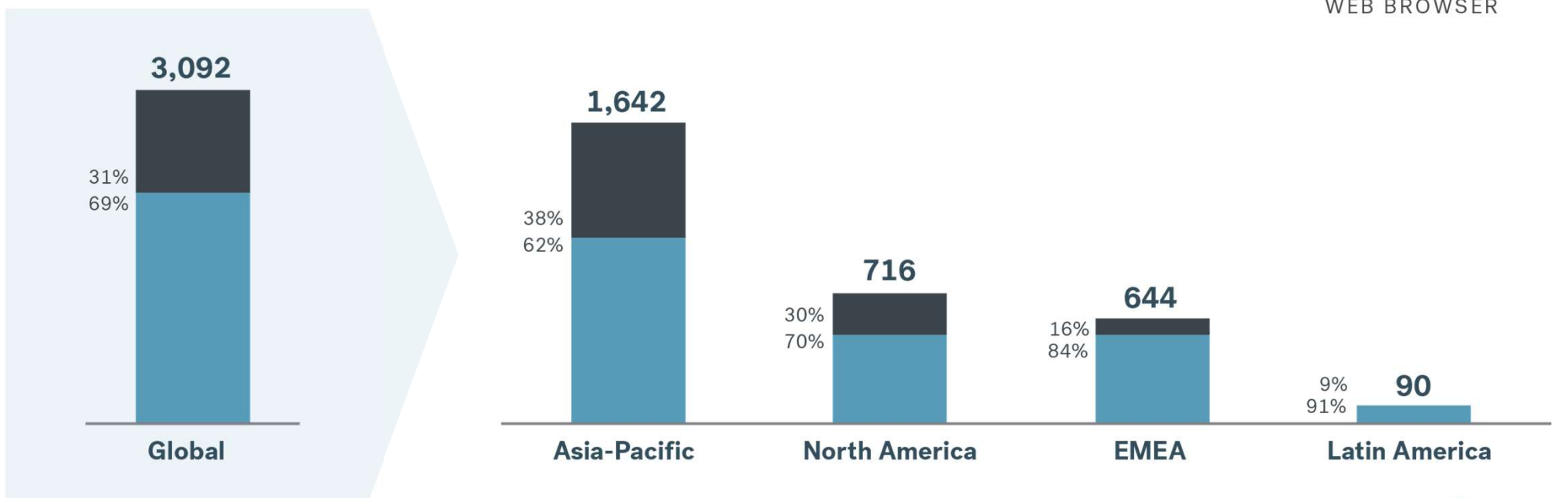


- Geographic fragmentation:**
Comprising > 20 different countries with their own economy, culture and political challenges.
- Growing consumer class:**
A middle class is emerging as Asian economies develop.
- Unbanked populations:**
2 billion people around the world are unbanked – over 50% of whom are in Asia.
- Mobile penetration:**
Mobile UX is vital element within FinTech: 99% of penetration in Indonesia, HK and Singapore.

Mobile apps.

Mobile apps accounted for more than 30% of global digital commerce volume in 2017.

2017 global digital commerce volume breakdown
\$ BILLION

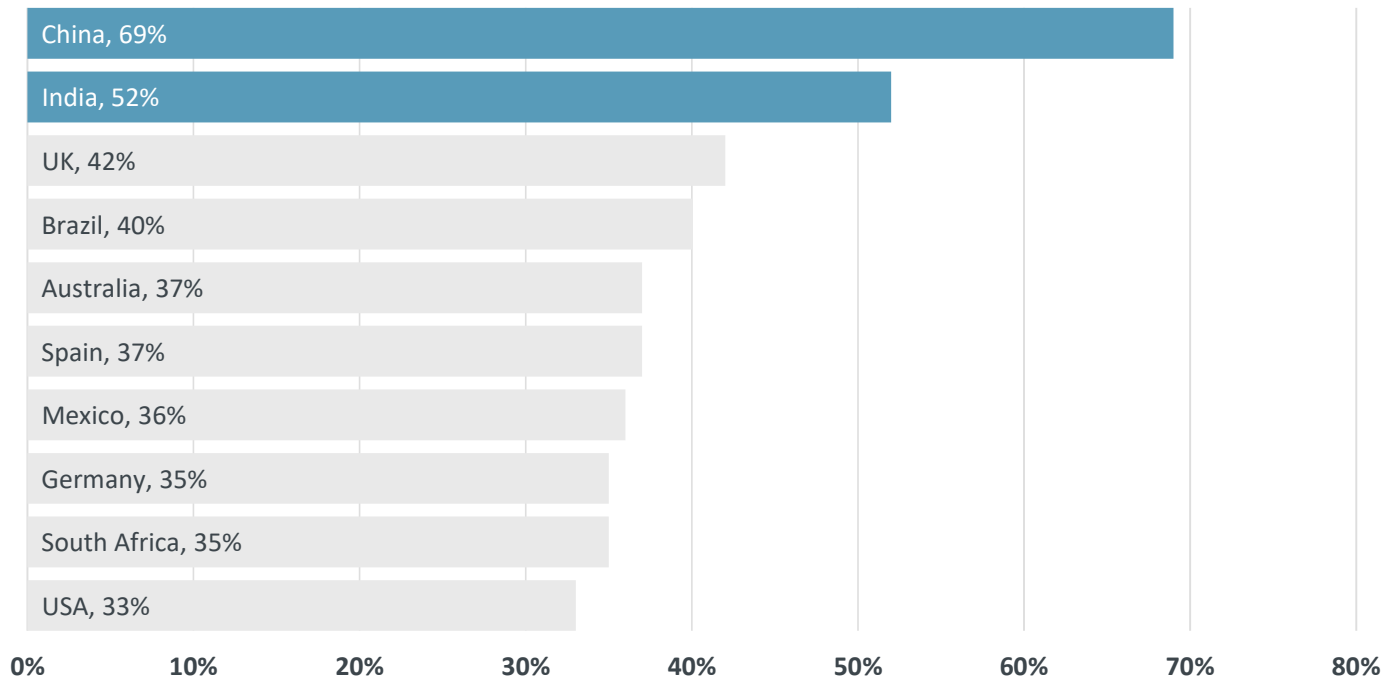


Source: GCI Analytics

E-Commerce and FinTech in Asia.

Regular FinTech users as a share of adults who are active online.

Early Fintech Adopters



Source: Ernst & Young

Economies are becoming increasingly consistently cashless. Third-party transactions through mobile in China alone has been forecast to rise from \$17.4bn in 2017, to \$51.2bn in 2020.

FinTech use cases in Asia.



B2B Payments

- Businesses who buy their supply in large quantities on a marketplace may purchase stock in non-local currencies
- Marketplaces such as Alibaba and Indonesia's Blanja benefit from outsourcing their payments to third-party FinTech partners when dealing with customers at scale to convert these foreign payments



Remittance Flows

- With a great deal of bilateral remittance flows throughout Asia, Asia is a promising market for FinTech companies going forward
- These remittance payments are generally smaller sums of money, where users will value every small amount saved in fees and currency exchange, thus benefitting from the use of a FinTech offering



Other Use Cases

- Wholesalers looking to move online
- Insurance companies with distributions either domestic or internationally
- Any other business looking to outsource its payout capabilities where operating across multiple countries

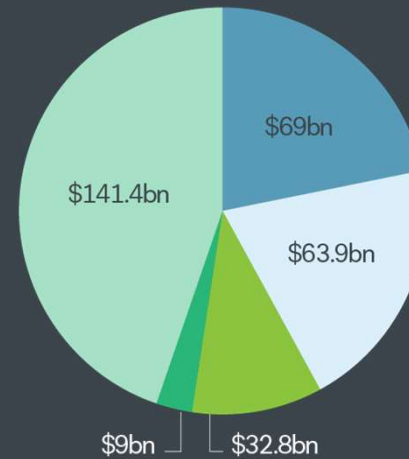
Remittance flows in Asia.

Remittance Culture

- Remittance inflows to Asia amounted to over US\$300 billion in 2017
- China and India accounted for 49% of this remittance inflow
- These funds are used for employee salaries, personal transfers/remittances and credit

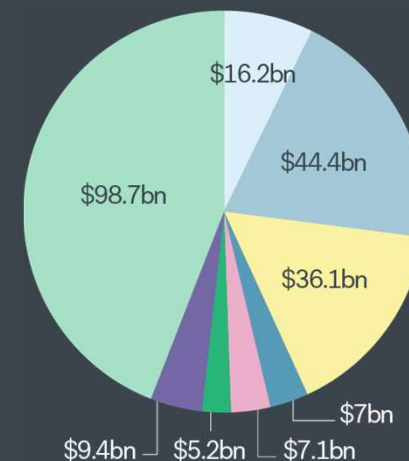
Intra-Country Movement of Funds

- Over 50% of these remittance inflows (US\$155) came from other Asian countries
- It is estimated that 40M international migrants live and work in the Asia Pacific region, while 77.2M people born in the region are living and working outside their countries of origin



Remittances Inflow
2017

INDIA
CHINA
PHILIPPINES
INDONESIA
REST OF ASIA



2017

CHINA
UAE
SAUDI ARABIA
INDIA
SINGAPORE
INDONESIA
MALAYSIA
REST OF ASIA

Rapid Growth of marketplaces and platforms in Asia.



In 2017, Asia accounted for 78.5% of the worldwide B2B e-commerce sales



As of 2017, less than 50% of Asia's online population had made a purchase online however, indicating there is further room for growth



The mass adoption of mobile technologies and digital payments has paved the way for e-commerce companies to target and reach consumers in Asia



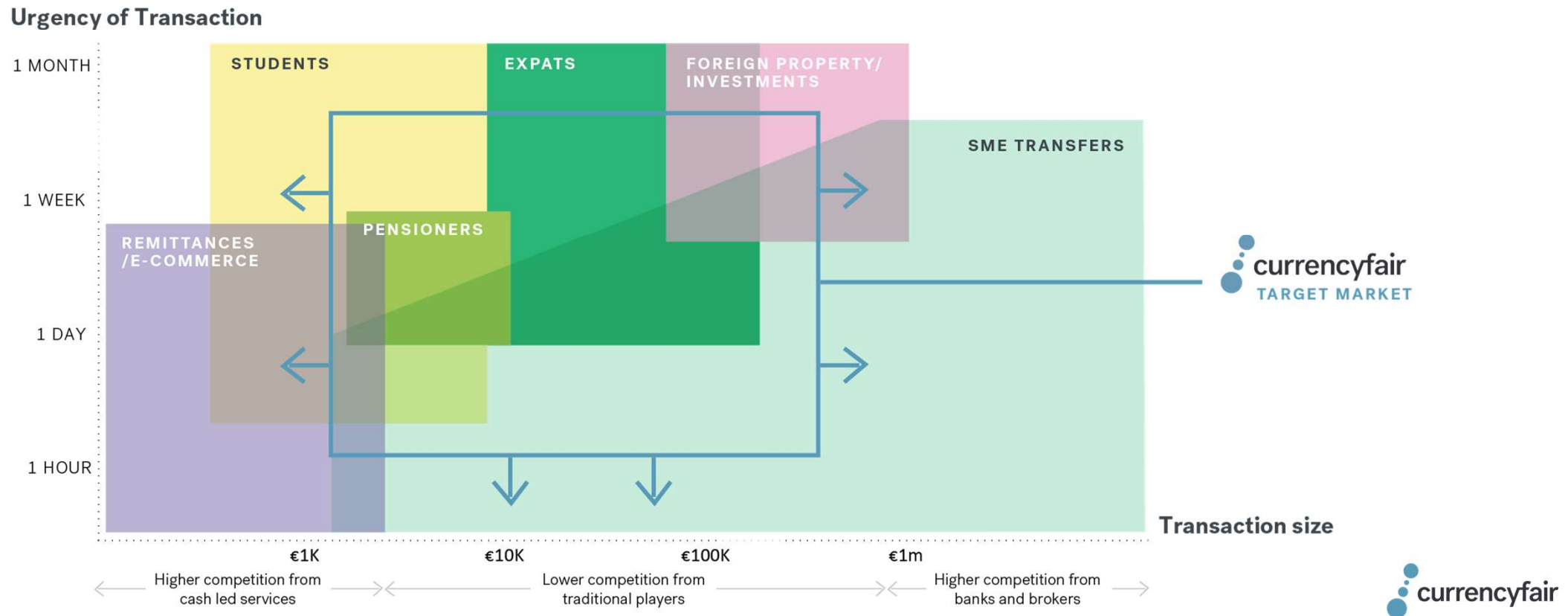
B2C marketplaces such as Rakuten (Japan) and Flipkart (India) are placing an increased focus on B2B in order to tap into this growing market

SME landscape.

SME participation by key Geo-Market (Asia & Australia)

	Australia	Singapore	Hong Kong
SME VOL (<250 E'S)	2,620,000	263,000	352,000
1YR GROWTH (2018)	1.8%	3.9%	3.8%
3YR CAGR (2016-18)	6.0%	11.7%	8.1%
SIZE MIX	2.4% Medium (20-199) 9.3% Small (5-19) 27.5% Micro (2-4) 60.4% Sole Traders	2.5% Medium (20-199) 9.0% Small (5-19) 88.5% Micro (1-4)	3.9% Medium (20-99) 7.8% Small (10-19) 88.3% Micro (1-9)

The emergence of 'use case' FinTech to challenge banks.



Currencyfair: A leading FX Marketplace and International Money Transfer and Payments Business.

1.

Operating for over 8 years, with Head Office in Dublin, Ireland; and offices in the UK, Australia, Singapore and Hong Kong. Now 110 staff

2.

Fully regulated in Europe, Australia, Canada, Hong Kong and Singapore

3.

Uniquely structured online FX marketplace allows for easy integration with banking partners and customer use. Strong relationships with international financial institutions including Barclays, Macquarie Bank and DBS

4.

All transactions move through “Client Trust Accounts” where customers self-manage all activity. High level of trust - highest financial services rating on Trustpilot

5.

Acquired Convoy Payments Ltd December 2018, as part of global expansion - mostly Asia

6.

Over 120,000 customers transferring in excess of €8 Billion. Documented savings to date made by customers €200 million / HK\$1.8 billion / SG\$300 million

PB1

Thank you.
Do you have any
questions?



Slide 16

PB1 finish on the CF slide to remind the audience about the app and web
Paul Byrne, 24/10/2019